



# **2003**

# **Integrated Energy Policy Report**

## ***(Energy Report)***

**Before the**  
**California Energy Commission**  
**November 12, 2003**

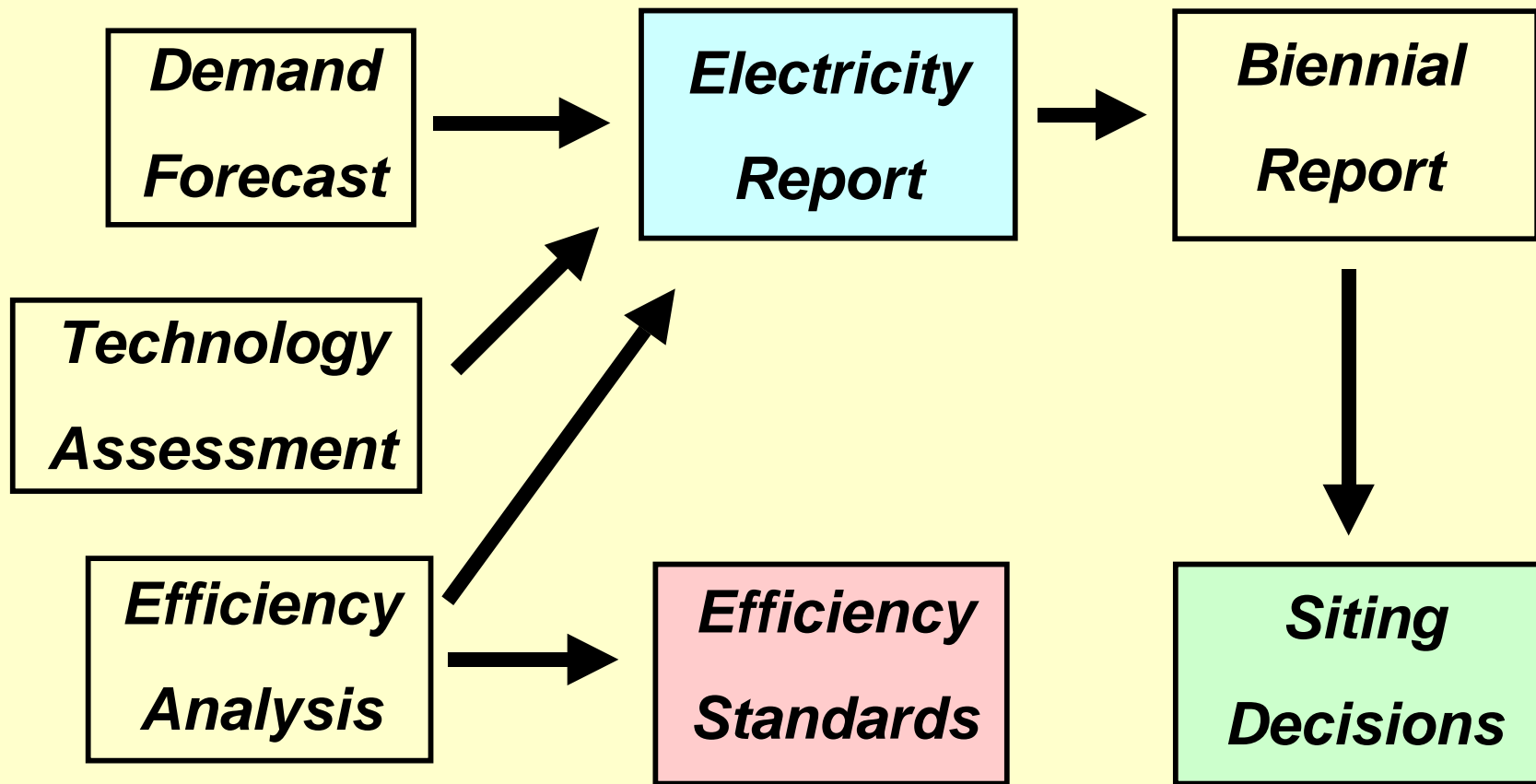


# Previous State Energy Planning and Policy Process

- **Electricity Report / Biennial Report**
  - Demand Forecast
  - Resource Assessment
  - Alternatives
  - Need
- **Conservation Report**
- **Technology Report**
- **Fuels Report**



# Warren-Alquist Act





# Post 1996 Planning

- **State electricity and natural gas planning weakened**
- **Electricity/Biennial Report discontinued**
- **Siting “need” assessment eliminated**
- **Reduction of analytic capability**
- **Special studies for hot issues**
- **Increased monitoring and crisis management**



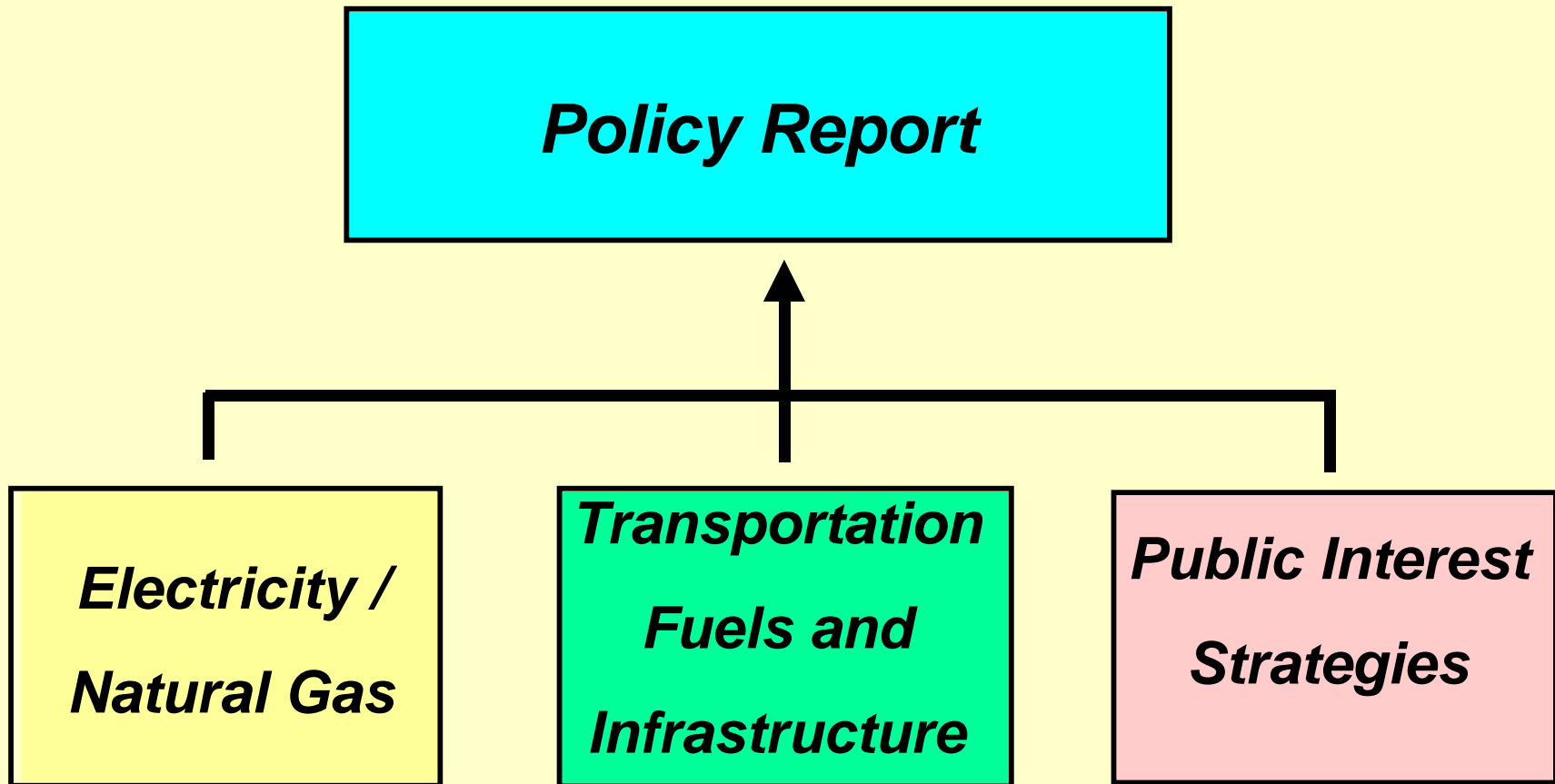
# **Senate Bill 1389 (Bowen)**

## **Integrated Energy Policy Report**

- **Consolidates energy analyses**
- **Considers all fuels**
- **Statewide purview**
- **Identifies trends and outlooks**
- **Requires policy recommendations**
- **Basis for policy and action**
- **Consultation with other agencies**
- **Other agencies to use information**



# IEPR Structure





## 2003 IEPR Theme

- **Establish a strong and flexible energy infrastructure that will:**
  - ✓ **Promote reliable and reasonably-priced energy,**
  - ✓ **Support the growing economy,**
  - ✓ **Enhance efficiency, and**
  - ✓ **Protect the environment.**
- **In the face of risks and uncertainties, new State actions are needed.**

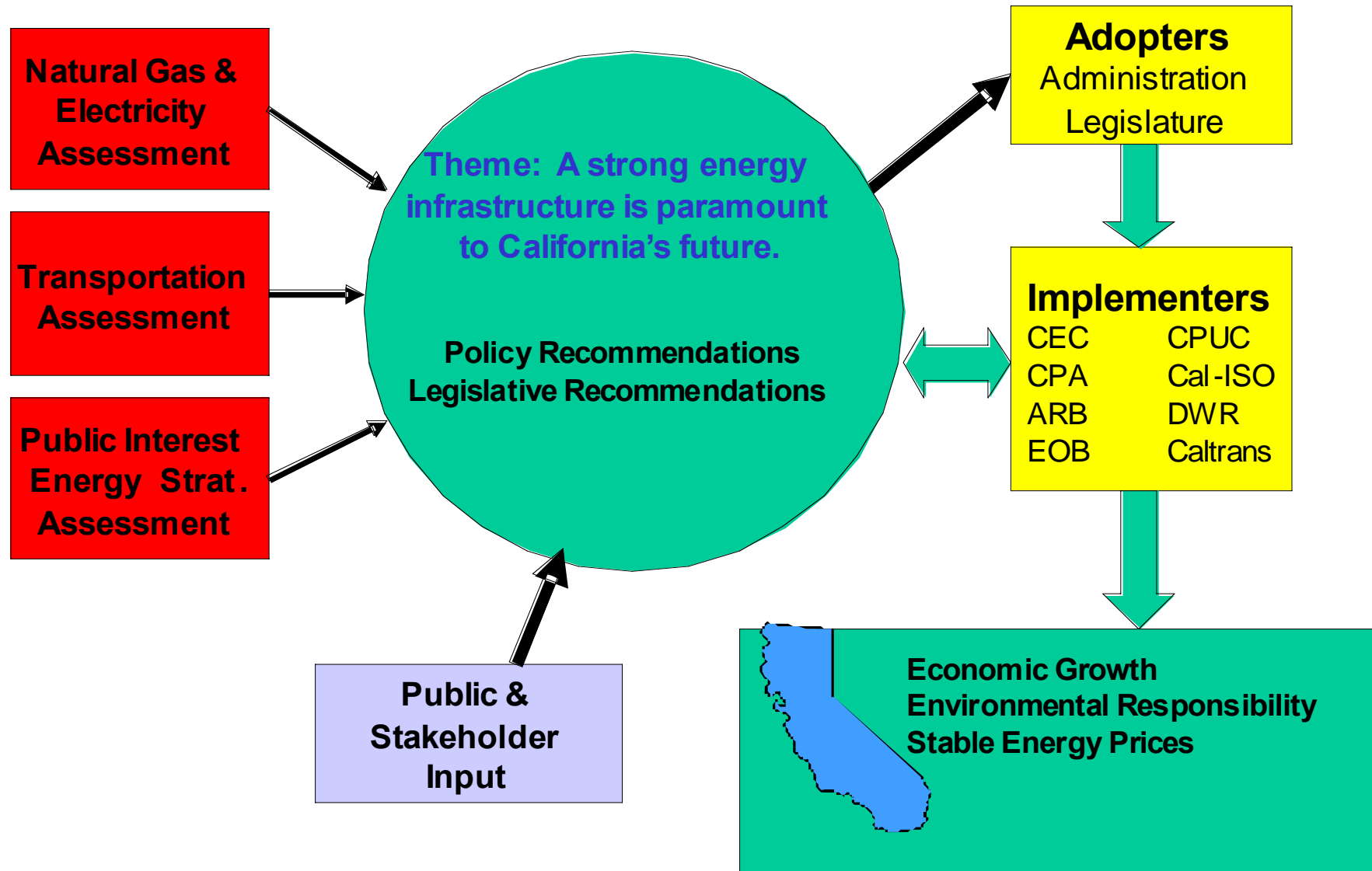


# 2003 IEPR Analyses

- **Framework**
  - **Forecasts and trends**
  - **Issues and analysis**
  - **Policy recommendations**
- **Demand, Supply and Price**
  - **Electricity**
  - **Natural gas**
  - **Transportation fuel**
- **Infrastructure conditions**
- **Efficiency, renewables, R&D responses**
- **Environmental / climate change results**



# Integrated Energy Policy Report





# Public Process

- **Sept 2002 – Initial scoping hearing**
- **9 state agency collaborative meetings**
- **24 public hearings and workshops**
- **140 organizations commented**
- **+3,000 pages of reports, comments**



# Thanks!

- **Project Manager – Karen Griffin**
- **Team Leads**
  - **Electricity & Natural Gas – Al Alvarado**
  - **Transportation – Chuck Mizutani**
  - **PIES – Don Schwartz**
- **Legal Advisor – David Abelson**
- **And lots of other staff!!!**



# **Integrated Energy Policy IEPR Committee Draft Report –**



- Harvest Energy  
Efficiency**
- Diversify Fuel Types**
- Encourage Customer  
Alternatives**
- Improve  
Infrastructure**



# Principal Recommendations



## Ramp up energy efficiency funding

- 1,700 MW peak demand reduction:
  - 1,800 currently funded
  - 2,000 dynamic pricing
  - + 1,700 additional EE funding
  - 5,500 TOTAL
- 6,000 gwh of savings
- 100 MM therms of natural gas savings



# Principal Recommendations



- Implement integrated resource adequacy process using analyses in the Energy Report
- Require all LSEs to meet RPS goal and accelerate goal to 2010 and develop more ambitious targets.
- Evaluate benefits of core/noncore market structure and distributed generation





# Principal Recommendations



- Consolidate bulk transmission line permitting at the Energy Commission
- Encourage development of LNG on the West Coast
- Initiate Legislative hearings to examine natural gas quality and gathering issues
- Reduce petroleum use to 15% below 2003 levels by 2020





# Principal Recommendations



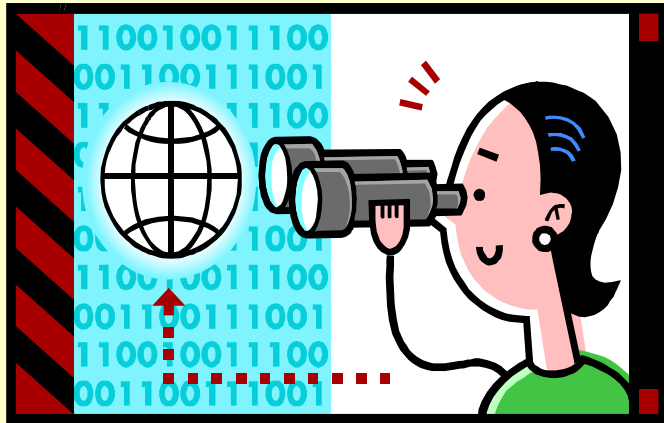
- Double combined fuel economy of cars and light trucks by 2020
- Increase non-petroleum fuels to 20% of on-road use by 2020
- Establish a one-stop permitting process for petroleum facilities
- Require reporting of GHG emissions as part of power plant licensing
- Account for GHG emission reductions costs in utility procurement decisions







# 2003 IEPR Final Schedule

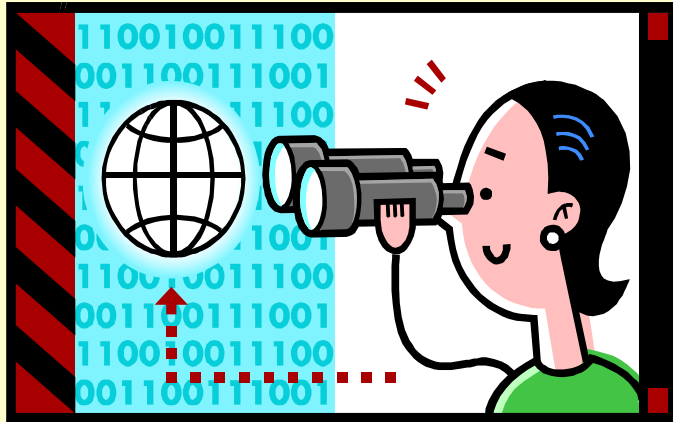


- **November 12: Final Energy Commission business meeting consideration**
- **November 17-19: Governor receives report**
- **February 1: Governor conveys Energy report and policy to Legislature**





# IEPR Update



- **Biennial process – first update due November 2004**
- **Develop transmission line planning and permitting**
- **Evaluate more ambitious renewables portfolio targets**
- **Evaluate repowering, replacement and retirement of existing power plants**





# A Guiding Thought

***The IEPR establishes a real-time, dynamic process for continuing dialogue on California's energy issues.***

